

# Strengthening continuing vocational training at the initiative of the enterprise

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## Outline of the presentation

- What is the recent EU policy context?
- Why strengthening Continuing Vocational Training (CVT) increasingly matters in our economies?
- Why is government intervention required?
- How can government intervention strengthen CVT at the initiative of the enterprise?

## Outline of the presentation

- *What is the recent EU policy context?*

## The recent EU policy context

- Education and training in the revised Lisbon Strategy
- The 2006 Helsinki Communiqué on *Enhanced European cooperation in vocational education and training*
- The Commission's recent 2006 Communication *Adult learning: it is never too late to learn*

# Outline of the presentation

- What is the EU policy context?
- *Why strengthening CVT increasingly matters in our economies?*

# Why strengthening CVT increasingly matters in our economies?

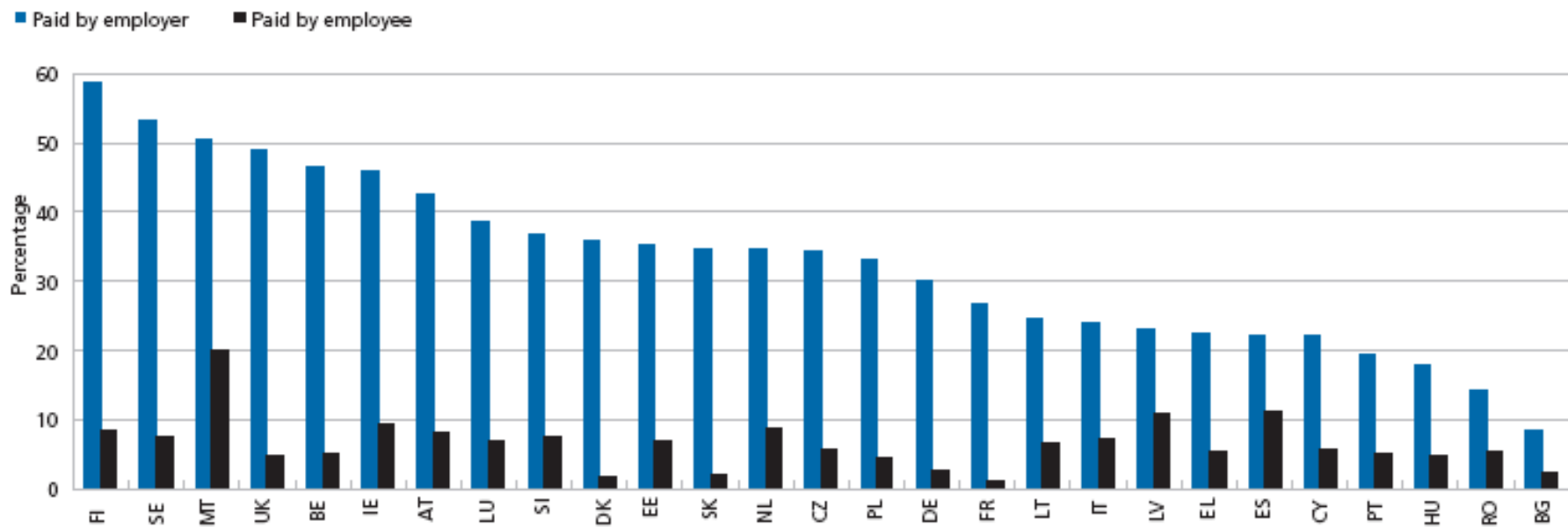
- Three fundamental reasons:
  - The transition from a Fordist-type to a post-Fordist model of production
  - The massive employment shift from manufacturing towards services
  - The significant rise in the educational attainment level of the workforce

## Why strengthening CVT increasingly matters in our economics?

- Beyond these fundamental reasons, CVT has benefits for:
  - Employees: higher earnings, employability, promotional opportunities and job satisfaction
  - Employers: higher productivity
  - For the society as a whole

# Why strengthening CVT increasingly matters in our economics?

Chart 9: Number of employees who participated in continuing vocational training in EU Member States, 2005



Source: DG EMPL calculations based on the fourth *European Working Conditions Survey*.



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# Why is government intervention required?

- The market fails to satisfy the two common objectives of education and training policies:
  - Efficiency
  - Equity
- Government intervention in CVT can be justified to increase:
  - Efficiency in the provision of CVT
  - Equity in the access to CVT

# Why is government intervention required?

- Employers and employees invest less in CVT than the efficient level because of:
  - Labour-market imperfections, e.g.
    - Poaching and turnover
    - Wage compression
  - Information asymmetries, e.g.
    - Nature and quality of training programmes
    - Certification

# Why is government intervention required?

- Access to CVT is inequitable, especially for some disadvantaged categories of workers:
  - Low skilled workers
    - Learning as a life-cycle process
    - Inequality of opportunity in education amplified by unequal access to training
  - Older workers
    - Employer attitudes
    - Lower learning ability
    - Attitudes of older workers themselves

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- *How can government intervention strengthen CVT at the initiative of the enterprise?*

## How can government intervention strengthen CVT at the initiative of the enterprise?

- By securing investment in CVT paid for by employers:
  - Demand-led market regulation
  - Subsidies, tax incentives and loans
  - Collective labour arrangements
  - Compulsory arrangements

## How can government intervention strengthen CVT at the initiative of the enterprise?

- By securing the benefits of CVT paid for by employers:
  - Productivity and wage-bargaining systems
  - Payback clauses
  - Quality, accreditation and certification

# Conclusion: objectives of an EU CVT Policy ?

- Reduce social exclusion and income quality by increasing the human capital of at-risk workers
- Sustain our social protection system by keeping older workers active
- Support the implementation of flexicurity by making job-to-job mobility more dynamic
- Increase the innovation capacity of EU firms by allowing workers to continually upgrade their skills



Thank you for your attention !  
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